

September 8-9, 2005

Growth in the Medicare spending for outpatient therapy

ISSUE: Spending on outpatient therapy services (which includes physical and occupational therapy and speech and language pathology services) has grown considerably in the recent past, raising questions for Medicare about what it is buying for its increased outlays. Has access improved? Are patient outcomes better?

KEY POINTS: We plan to examine the recent increase in program spending on outpatient therapy to understand which services, settings, and beneficiaries account for the growth. Our work will form the basis of a chapter in the June report.

Therapy caps that have been used to limit Medicare spending are currently not in place but are scheduled to be re-imposed in January 2006. Staff will explore how outpatient payment policy might be redesigned.

At this meeting, staff will present background information about outpatient therapy services, including:

- Medicare users of outpatient therapy services
- a description of the therapy caps and their impact on spending
- recent spending trends

ACTION: We would like to hear Commissioner's thoughts on which direction staff analyses should take and the information the Commission will want to include in this study.

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